Claims

- 1. (previously presented) A spin valve comprising:
 - a) an antiferromagnetic layer,
 - b) a ferromagnetic pinned layer having a magnetization pinned by the antiferromagnetic layer,
 - c) a ferromagnetic free layer,
 - d) a nonmagnetic spacer layer located between the free layer and the pinned layer such that the pinned layer controls a magnetization of the free layer, and
 - e) a first underlayer in proximity to the free layer and having a thickness between about 2 nm and about 40 nm;

wherein the first underlayer comprises an oxygen-rich nickel oxide.

- 2 (original) The spin valve of claim 1, wherein the first underlayer has a first oxygen content sufficient to raise a magnetoresistive ratio ($\Delta R/R$) of the spin valve to between about 7% and about 9%.
- 3. (original) The spin valve of claim 1 wherein the content of oxygen in the first underlayer is between about 55 atomic% and about 65 atomic%.
- 4. (canceled)
- 5. (original) The spin valve of claim 1, further comprising a second nickel oxide underlayer adjacent to the first underlayer,
- (original) The spin valve of claim 5, wherein the second nickel oxide underlayer is an oxygen-rich nickel oxide underlayer.

- (original) The spin valve of claim 6, wherein the content of oxygen in the first underlayer is different from the content of oxygen in the second nickel oxide underlayer.
- 8. (original) The spin valve of claim 7, wherein the content of oxygen in the second nickel oxide underlayer is between about 50 atomic% and about 60 atomic%.
- 9. (previously presented) The spin valve of claim 6, wherein the combined thickness of the first underlayer and the second nickel oxide underlayer is between about 2 nm and about 40 nm.
- 10. (previously presented) The spin valve of claim 6, wherein the first underlayer has a first oxygen content and the second nickel oxide underlayer has a second oxygen content sufficient to raise a magnetoresistive ratio (ΔR/R) of the spin valve to between about 7% and about 9%.
- 11. (previously presented) The spin valve of claim 6, wherein the first underlayer has a first oxygen content and the second nickel oxide underlayer has a second oxygen content sufficient to balance the magnetoresistive ratio ΔR/R and a pinning strength H_{ua}.
- 12. (original) The spin valve of claim 11, wherein the ΔR/R ratio is between about 7% and about 9%, and the value of H_{ua} is between about 800 Oe and about 400 Oe correspondingly.
- 13 21. (canceled)

- 22. (previously presented) A disk drive system comprising a read/write head containing a spin valve, wherein the spin valve includes:
 - a) an antiferromagnetic layer,
 - a ferromagnetic pinned layer having a magnetization pinned by the antiferromagnetic layer;
 - c) a ferromagnetic free layer,
 - d) a nonmagnetic spacer layer located between the free layer and the pinned layer such that the pinned layer controls a magnetization of the free layer, and
 - e) a first underlayer in proximity to the free layer and having a thickness between about 2 nm and about 40 nm;

wherein the first underlayer comprises an oxygen-rich nickel oxide.

- 23. (original) The disk drive system of claim 22, wherein the first underlayer has a first oxygen content sufficient to raise a magnetoresistive ratio (ΔR/R) of the spin valve to between about 7% and about 9%.
- 24. (original) The disk drive system of claim 22, wherein the content of oxygen in the first underlayer is between about 55 atomic% and about 65 atomic%.
- 25. (canceled)
- 26. (original) The disk drive system of claim 22, wherein the spin valve further comprises a second nickel oxide underlayer adjacent to the first underlayer.
- 27. (original) The disk drive system of claim 26, wherein the second nickel oxide underlayer is an oxygen-rich nickel oxide underlayer.
- 28. (original) The disk drive system of claim 27, wherein the content of oxygen in the first underlayer is different from the content of oxygen in the second nickel oxide underlayer.

- 29. (original) The disk drive system of claim 28, wherein the content of oxygen in the second nickel oxide underlayer is between about 50 atomic% and about 60 atomic%.
- 30. (previously presented) The disk drive system of claim 27, wherein the combined thickness of the first underlayer and the second nickel oxide underlayer is between about 2 nm and about 40 nm.
- 31. (previously presented) The disk drive system of claim 27, wherein the first underlayer has a first oxygen content and the second nickel oxide underlayer has a second oxygen content sufficient to raise a magnetoresistive ratio (ΔR/R) of the spin valve to between about 7% and about 9%.
- 32. (previously presented) The disk drive system of claim 27, wherein the first underlayer has a first oxygen content and the second nickel oxide underlayer has a second oxygen content sufficient to balance the $\Delta R/R$ ratio and a pinning strength H_{lia} .
- 33. (original) The disk drive system of claim 32, wherein the $\Delta R/R$ ratio is between about 7% and about 9%, and the value of H_{ua} is between about 800 Oe and about 400 Oe correspondingly.
- 34. (canceled)